

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

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R 191715Z DEC 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 4849

INFO USMISSION EC BRUSSELS

USDEL MTN GENEVA

AMCONSUL MILAN

AMCONSUL NAPLES

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PASS COMMERCE FOR ASCHER, STR FOR WOLFF

E.O. 11652: N/A

TAGS: ETRD, PINT, IT

SUBJECT: INTERNATIONAL TRADE COMMISSION: FOOTWEAR CASE

REF: ROME 17384 AND PREVIOUS (NOTAL)

1. EMBOFF DISCUSSED INTERNATIONAL TRADE COMMISSION (ITC) FOOTWEAR INVESTIGATION WITH MINISTRY FOREIGN TRADE (MFT) REP SIMEONE (DIRECTOR, GATT-EC AFFAIRS) AND MINISTRY FOREIGN AFFAIRS (MFA) REP FUXA (DIRECTOR, EC-GATT AFFAIRS) IN SEPARATE DISCUSSIONS ON DECEMBER 18 TO LEARN WHETHER GOI HAD HAD ANY FURTHER THOUGHTS ON THE MATTER. BOTH SIMEONE AND FUXA AGAIN INDICATED, IF ITC MAKES POSITIVE FINDING, THAT GOI WOULD PREFER "SELECTIVE MEASURES" WHICH WOULD PERMIT ITALIAN EXPORTS TO US TO REMAIN AT PRESENT LEVELS. BOTH RECOGNIZED, HOWEVER, LIMITED OFFICIAL USE

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THAT SUCH AN APPROACH WOULD PROBABLY NEITHER BE GATT-CONSIS-

TENT NOR ACCEPTABLE TO OTHER FOREIGN SUPPLIERS OF US MARKET. SIMEONE AND FUXA SAID VOLUNTARY EXPORT RESTRAINT PROGRAM WOULD NOT RPT NOT BE POSSIBLE FOR ITALY. OF "LIVE" POSSIBILITIES, THEREFORE, ITALY PREFERS -- IF MEASURES CANNOT BE AVOIDED -- INDIVIDUAL COUNTRY QUOTAS ON A "NORMAL" GATT BASIS USING 1972-74 AS A BASE PERIOD. THEY STRESSED THAT ANY MEASURES ADOPTED BY USG MUST GIVE ADEQUATE CONSIDERATION TO TRADITIONAL SUPPLIERS OF US MARKET.

2. SIMEONE STATED THAT USG SHOULD BE AWARE THAT FOOTWEAR IS AN INDUSTRY WHICH, ONCE A SIGNIFICANT COUNTRY LIKE THE US ADOPTS RESTRICTIVE MEASURES TO PROTECT DOMESTIC PRODUCERS, WILL "UNRAVEL" JUST LIKE TEXTILES. OTHER MAJOR CONSUMERS WILL FIND IT NECESSARY TO ADOPT RESTRICTIVE MEASURES IN SELF-DEFENSE, SINCE FOREIGN SUPPLIERS OF US MARKET WILL SEEK ALTERNATE MARKETS. HE ASKED WHETHER USG WOULD REALLY LIKE TO SEE ARRANGMENTS SUCH AS MULTIFIBER TEXTILE AGREEMENT SPREAD TO OTHER INDUSTRIES. FUXA NOTED THAT REASONING UNDERLYING USG DECEMBER 17 STATEMENT ON UK IMPORT RESTRICTIONS WAS EQUALLY APPLICABLE TO ANY USG RESTRICTIVE IMPORT MEASURES.

3. COMMENT. DOMESTIC POLITICAL CONSIDERATIONS PRECLUDE GOI SUPPORT FOR VOLUNTARY RESTRAINT AGREEMENT. ITALIAN INDUSTRY (LABOR AND MANAGEMENT) WOULD HOLD GOI RESPONSIBLE FOR LOWER LEVEL OF EXPORTS IF VOLUNTARY RESTRAINT AGREEMENT WERE CONCLUDED. CHRISTIAN DEMOCRATS (DC) DO NOT WISH TO RISK POSSIBLE BACKLASH AT THE POLLS; VOLUNTARY RESTRAINT AGREEMENT WOULD BE USEFUL ISSUE FOR COMMUNISTS (PCI) TO EXPLOIT IN REGIONS WHERE FOOTWEAR PRODUCTION IS CONCENTRATED (TUSCANY, MARCHE, CAMPANIA, CALABRIA, VENETO AND LOMBARDY). CONSEQUENTLY, GOI WOULD MUCH PREFER THAT USG WEAR THE BLACK HAT IN THIS CASE. VOLPE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOOTWEAR, INVESTIGATIONS, EXPORT QUOTAS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ROME18598
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750442-0946
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751223/aaaaaunf.tel
Line Count: 92
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 ROME 17384
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 30 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 APR 2003 by BoyleJA>; APPROVED <13 AUG 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INTERNATIONAL TRADE COMMISSION: FOOTWEAR CASE
TAGS: ETRD, PINT, EPAP, IT, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006